

INFORMATION LETTER

Not for
Publication

NATIONAL CANNERS ASSOCIATION

For Members
Only

No. 1007

Washington, D. C.

October 14, 1944

NEW CITRUS SET-ASIDE ORDER ISSUED BY WFA

**Canners to Reserve 39% of Grapefruit,
30% of Orange, and 32% of
Blended Juice Packs**

The War Food Administration, under War Food Order 22.7, effective October 9, announced that canners must set aside quantities of single-strength citrus juices equivalent to the following percentages of the 1943-44 pack: Grapefruit juice, 39 per cent; orange juice, 30 per cent; and blended (grapefruit and orange) juice, 32 per cent. Set-aside requirements for grapefruit segments will be the equivalent of 58 per cent of the 1941-42 pack and only enough tin has been allocated this year to pack the set-aside stocks. Therefore, no grapefruit segments packed in tin will be available to U. S. civilians.

Tin for canning single-strength citrus juices is limited this season to 100 per cent of the quantity used during the 1943-44 season, but it is expected that some 20,500,000 cases of juice will be available for civilian consumption from the 1944-45 pack. That is slightly less than the quantity available to civilians from last year's pack and is approximately 65 per cent of the anticipated 1944-45 production of 40,500,000 cases.

WFO 22.7 provides that a processor whose 1944-45 pack of any of the four products is smaller than his set-aside requirements will be deemed in compliance if he sets aside his entire production of the product for government purchase. Official text of the order follows:

§ 1425.9 Quota restrictions and allocations—(a) Definitions. (1) "Quota period" means the period from December 1, 1944, to November 30, 1945, both dates inclusive, in California; and the period from August 1, 1944, to July 31, 1945, both dates inclusive, in States other than California.

(2) "Base period" means (i) with respect to grapefruit juice, orange juice, and orange juice and grapefruit juice blended, packed in California, the period commencing on December 1, 1943, and ending on November 30, 1944; and with respect to grapefruit juice, orange juice, and orange juice and grapefruit juice blended, packed in States other than California, the period commencing on August 1, 1943, and ending on July 31, 1944; (ii) with respect to grapefruit segments packed in

California, the period commencing on December 1, 1941, and ending on November 30, 1942; and with respect to grapefruit segments packed in States other than California, the period commencing on August 1, 1941, and ending on July 31, 1942.

(3) "Canned citrus fruit and canned citrus fruit juices" means the canned citrus fruit and canned citrus fruit juices listed in Column A of Table I, attached hereto and by this reference made a part hereof.

(4) Each term defined in War Food Order No. 22, as amended, shall, when used herein, have the same meaning as set forth for such term in said War Food Order No. 22, as amended.

(b) Quota restrictions. Each canner of canned citrus fruit and canned citrus fruit juices shall set aside, in the manner and quantities hereinafter specified, and thereafter hold for delivery to Government agencies, canned citrus fruit and canned citrus fruit juices, respectively, packed by such canner at any

(Continued on page 8412)

Exemption of War Contracts from Renegotiation Denied

The War Contracts Price Adjustment Board has denied the petition filed on May 31, 1944, by the National Canners Association, requesting exemption of canned fruits and vegetables from renegotiation. The exemption sought was for sales of all canned fruits and vegetables packed in 1943 and 1944. The War Contracts Price Adjustment Board has ruled that, on the basis of investigations conducted by the Board, it was indicated that:

"Competitive conditions affecting the seller of these articles are not such as will reasonably protect the Government against excessive prices."

Wage Hearings Postponed

Hearings on Senator Claude Pepper's resolution seeking to raise the Nation's minimum wage level from 40 to 65 cents per hour, originally scheduled for October 11, have been indefinitely postponed. A spokesman for the special Senate Labor Subcommittee said that "the hearings will be held some time after the middle of November."

OCTOBER REPORT FOR PROCESSING VEGETABLES

**Lima Bean, Beet, Cabbage for Kraut,
Pimiento, and Tomato Crops
Show Increases**

Indicated production of vegetable crops for processing, as reported by the U. S. Bureau of Agricultural Economics on the basis of October 1 conditions, shows increases over the 1943 harvested output for green lima beans, beets, cabbage for kraut, pimientos, and tomatoes, and decreases for sweet corn. The indicated combined production of the six crops is 12.2 per cent higher than in 1943. The following table gives the indicated 1944 production of the six crops as compared with the harvested production in 1943:

	1943 harvested	1944 indicated
	Tons	Tons
Beans, green lima.....	27,360	29,790
Beets.....	139,500	166,200
Cabbage, kraut.....	107,000	148,100
Corn, sweet.....	1,162,000	1,080,400
Pimientos.....	8,570	9,460
Tomatoes.....	2,630,100	3,172,000

A production of 29,790 tons (shelled basis) of green limas for canning and freezing is indicated for 1944. This exceeds the 1943 production of 27,360 tons by 9 per cent and the 10-year (1933-42) average production of 24,500 tons by 21 per cent.

The October 1 indicated yield is 902 pounds per acre. This compares with 808 pounds per acre obtained in 1943 and an average of 1,172 pounds for the preceding 10-year (1933-42) period. Yield prospects were reduced during September by dry weather in Virginia, Maryland, Delaware, western New York, and Utah.

Production of beets for canning is indicated to be 166,200 tons. This prospective 1944 production exceeds the 1943 production of 139,500 tons by 19 per cent and compares with the 10-year (1933-42) production of 67,900 tons.

The 1944 yield per acre of 7.40 tons indicated on October 1 compares with 7.71 tons obtained in 1943 and an average of 6.14 tons per acre for the preceding 10-year (1933-42) period. September rains improved beet prospects in practically all important producing States and October 1 prospective yields were nearly a ton per acre above the yields indicated for September 1.

A crop of 148,100 tons of cabbage for kraut is indicated for this year, including tonnage to be purchased from open market acreage. This is 38 per cent above that of last year but 8 per cent below the 1933-42 average.

Prospects in Wisconsin, Minnesota, Colorado and Maryland improved considerably during September, more than offsetting reductions in New York, Ohio, Washington, Oregon and Pennsylvania, and total production is now indicated to be about 1 per cent greater than a month ago.

Rain in mid-September improved per-acre yield prospects materially in Wisconsin, accounting for virtually all of the increase in tonnage since September 1. New York cabbage areas also received rains but for the most part they came too late to benefit cabbage crops and prospects were further reduced from the relatively low level of September 1. In Ohio, the crop continued to decline under drought conditions and the October 1 indication is nearly 1 ton less per acre than a month earlier. Prospects in other major producing States show little change from the September indication.

Production of sweet corn for processing in 1944 is expected to total 1,080,400 tons. This indicated production is 7 per cent less than the 1943 production of 1,162,000 tons but exceeds the 10-year (1933-42) average production of 808,100 tons by 35 per cent.

The indicated yield is 2.05 tons per acre. This compares with 2.29 tons obtained in 1943 and an average of 2.24 tons per acre for the preceding 10-year (1933-42) period. Reports from Delaware, Maryland, Pennsylvania, Iowa, Minnesota, Nebraska and a few other scattering States on yields per acre show a slight reduction from the tonnage in prospect on September 1. In most of the other important producing States, condition for the late crop did not improve materially after September 1 with the result that average yields for this season are the lowest since 1936 when they averaged 1.63 tons per acre.

Reports from California and Georgia indicate a production of 9,460 tons of pimientos for processing in 1944. This indicated production is 10 per cent above the 1943 production of 8,570 tons and compares with an average production of 17,700 tons for the 10-year (1933-42) period.

A yield of 1.30 tons was indicated for 1944. This compares with .90 tons obtained in 1943 and an average of 1.28 tons for the 10-year (1933-42) period. In Georgia, the yield in prospect is somewhat below the September 1 indicated yield because many days

of damp, cloudy weather early in the month provided suitable conditions for the development of "Leaf Spot" disease.

Little change took place after September 1 in the 1944 production prospects for tomatoes for processing. The production indicated is 3,172,000 tons. This exceeds the 1943 production of 2,850,100 tons by 19 per cent and compares with the 10-year (1933-42) average production of 2,010,800 tons.

The indicated yield is 5.24 tons per acre and this compares with a 1943 yield of 4.79 tons and the 10-year (1933-42) average yield of 4.73 tons per acre. Growing conditions improved after September 1 in many of the late-producing States, including New York, Ohio, Illinois, Iowa, Missouri, and Utah. However, the improvement in these States was not sufficient to fully compensate for the less favorable conditions in some other areas.

State	1943 harvested Tons	1944 indicated Tons
BEANS, GREEN LIMA		
New York.....	330	280
New Jersey.....	5,220	6,080
Pennsylvania.....	420	320
Ohio.....	350	220
Michigan.....	660	1,400
Wisconsin.....	1,590	1,650
Delaware.....	4,050	2,680
Maryland.....	1,320	1,640
Virginia.....	1,400	1,800
Utah.....	710	650
Washington.....	340	500
California.....	2,490	3,480
Other States.....	8,450	9,090

BEETS		
New York.....	45,400	50,300
New Jersey.....	6,300	12,400
Indiana.....	900	1,000
Michigan.....	7,700	10,600
Wisconsin.....	30,000	50,400
Oregon.....	27,000	20,000
Other States.....	15,200	12,600

CABBAGE, KRAUT		
New York.....	48,800	60,300
Ohio.....	10,400	12,400
Indiana.....	8,200	7,000
Illinois.....	1,400	1,100
Michigan.....	4,300	3,800
Wisconsin.....	24,200	49,500
Minnesota.....	700	1,500
Colorado.....	600	2,100
Washington.....	5,000	2,600
Other States.....	4,000	7,900

CORN, SWEET		
Maine.....	49,000	41,400
New Hampshire.....	1,900	1,300
Vermont.....	3,100	2,500
New York.....	56,800	39,500
Pennsylvania.....	28,400	21,400
Ohio.....	63,500	33,900
Indiana.....	98,600	53,000
Illinois.....	181,800	150,000
Michigan.....	6,900	8,000
Wisconsin.....	169,200	206,200
Minnesota.....	193,500	218,400
Iowa.....	144,200	107,000
Nebraska.....	5,400	2,400
Delaware.....	6,200	6,600
Maryland.....	87,800	81,100
Tennessee.....	5,200	2,500
Washington.....	40,300	39,000
Oregon.....	16,400	15,400
Other States.....	33,800	49,000

State	1943 harvested Tons	1944 indicated Tons
PIMIENTOS		
California.....	740	1,520
Georgia.....	7,830	7,940
TOMATOES		
New York.....	134,800	168,800
New Jersey.....	221,100	209,200
Pennsylvania.....	188,800	177,000
Ohio.....	86,600	192,600
Indiana.....	382,400	546,000
Illinois.....	36,300	48,000
Michigan.....	16,200	35,000
Iowa.....	13,800	19,500
Missouri.....	24,200	49,000
Delaware.....	61,200	63,800
Maryland.....	317,700	322,100
Virginia.....	126,000	133,200
Kentucky.....	12,900	10,200
Tennessee.....	9,000	9,600
Arkansas.....	21,900	47,400
Colorado.....	36,000	36,000
Utah.....	76,600	74,500
California.....	800,000	910,000
Other States.....	93,900	119,500

Fruit Production Report

With the harvesting of peaches, cherries, plums, prunes, apricots, summer apples and pears nearly completed, and harvesting of grapes, late apples and late pears well advanced, the indicated combined tonnage of these 8 major deciduous fruits is about 20 per cent greater than the 1943 production and 8 per cent greater than the 10-year (1933-42) average, but about 1 per cent below expectations a month ago, according to the October crop report issued by the U. S. Bureau of Agricultural Economics.

Production of apples in commercial areas of the United States is estimated at 121,687,000 bushels—a decline of 1 per cent from the September 1 forecast. The 1944 prospective production is 37 per cent larger than the 1943 crop of 89,050,000 bushels but about 5 per cent smaller than 1942, and about 1 per cent below the 9-year (1934-42) average. During September, production prospects declined in the East, showed little change in the mid-West and increased in the State of Washington.

The estimated peach crop for the United States for 1944 totals 71,924,000 bushels compared with 42,180,000 bushels last year and 57,618,000 bushels the 10-year (1933-42) average.

The country's pear crop turned out to be slightly larger than indicated a month ago and is now estimated at 29,536,000 bushels. This is 20 per cent above last year's production of 24,585,000 bushels and 3 per cent above the 10-year (1933-42) average of 28,550,000 bushels.

Indicated production of grapes totals 2,097,350 tons, compared with 2,972,000 tons in 1943 and the 10-year (1933-42) average of 2,371,410 tons. Production

in California, while 11 per cent less than last year's record, is 15 per cent above average. In the East, the producing areas bordering the Great Lakes, with the exception of Michigan, show a sizeable increase over last year's relatively small crop.

Production of plums in California is placed at 85,000 tons—12 per cent more than the 1943 crop and 32 per cent larger than the 10-year (1933-42) average production. The crop of plums in Michigan is estimated at 6,200 tons—82 per cent above last year and 23 per cent above average.

Total production of prunes for all purposes (fresh basis) in Idaho, Washington, and Oregon is estimated at 107,000 tons compared with 135,500 tons in 1943 and 142,000 tons the 10-year average.

Condition of California figs on October 1 was 83 per cent compared with 86 per cent in 1943, and the 10-year (1933-43) average of 76 per cent. Figs have matured somewhat later than usual this season. Harvest of dried figs and canning of Kadotas reached a peak about October 1. Total fig production is expected to be smaller than last season. The October 1 condition of California olives was 48 per cent, compared with 60 per cent in 1943, and the 10-year average of 56 per cent. The olive set is very uneven. Harvest of green olives for processing is in progress.

The United States cranberry crop is now estimated at 356,500 barrels—a decrease of 15 per cent from the September 1 indication of production. The 1943 crop totaled 680,900 barrels and the 10-year average is 632,740 barrels.

October 1 prospects were favorable for citrus crops in all producing States and the aggregate tonnage of all citrus fruits is indicated to be 7 per cent greater than in 1943-44. Production of grapefruit for the 1944-45 marketing season is indicated to be 13 per cent greater than the record crop of last season. The early and midseason orange crop is expected to be about 1 per cent less than the record crop of last season.

Total United States production of early and midseason oranges for the 1944-45 season is expected to be about 1 per cent less than in 1943-44. In Florida and California, 46,871,000 boxes of early and midseason oranges were produced in 1943-44 and 45,720,000 boxes are in prospect this season. The decrease in California Navels and miscellaneous oranges of approximately 2,300,000 boxes is partly offset by an increase of 1,200,000 boxes in the prospects for Florida early and midseason oranges. Early indications for Florida

Valencias, which begin harvest in March, point to a crop of 25 million boxes compared with 20,400,000 boxes last season. The tangerine crop in Florida is estimated at 4,700,000 boxes—an increase of 1,100,000 boxes over 1943-44.

Another record crop of grapefruit is in prospect this season. The total U. S. grapefruit crop for 1944-45 (exclusive of California summer crop for harvest next year) is indicated to be 61,166,000 boxes—an increase of about 7 million boxes over last year's record crop of 54,029,000. Florida expects 36 million boxes compared with 31 million harvested in 1943-44. Texas grapefruit prospects at 20,150,000 boxes compare with 17,710,000 last season, while Arizona expects a reduction from 4,080,000 boxes in 1943-44 to 3,700,000 for the present season.

OPA Issues Errata Sheet for Canned Bean Price Regulation

The Office of Price Administration has issued an errata sheet which should be filed with the printed copy of Amendment 6 to Supplement 7 to Food Products Regulation 1. The following errors appear in the amendment which covers the pricing of canned green and wax beans:

On page 2, Table 3 (Part 1), the price ranges for item 37, under "Ex-Standard, No. 10 cans" should read "\$7.79-\$8.97."

The permitted increase for item 56, under "Standard, No. 10 cans" should read "\$1.62."

In table 3 (Part 2), the price ranges for item 44, under "Fancy, No. 10 cans" should read "\$6.22-\$7.69."

On page 3, Table 4 (Part 1), the price for "Fancy, No. 2 cans" opposite item 41, should read "\$1.33."

On page 4, Table 7 (Part 2), the figures under the heading "To convert from a sieve size in this column" should read "2 sieve, 3 sieve etc."

On Table 8 (Part 1), the sieve sizes opposite area 5 should read "1, 2, 3, 4, 5 and up, Ungraded."

The price for "Standard and Sub-Standard, No. 10 cans" for item 66 should be "0.49."

Tuna Clippers Being Built

According to a Long Beach, Calif., ship construction firm, the first of three 125-foot steel tuna clippers now being built for the French Sardine Company, San Pedro, Calif., will be delivered by the end of 1944. A fourth clipper now on the ways will fish for High Seas Tuna Packing Company, San Diego, Calif. The vessels will carry 270 tons of tuna.

AGRICULTURAL LABOR REGULATIONS REVISED

Amended Order is Substantially the Same as Originally Issued
January 17, 1944

Regulations of the War Food Administrator, under which his authority to stabilize and limit salaries and wages paid to agricultural labor is exercised, have been revised and re-issued as "Regulations Relative to Salaries and Wages of Agricultural Labor (Revision 1)," effective October 3, 1944. A summary of the revised regulations follow:

Under existing authorizations from the Economic Stabilization Director, WFA has jurisdiction over all wages of agricultural labor and over salaries of agricultural labor of \$5,000 per annum and less. Agricultural salaries in excess of \$5,000 per annum are under the jurisdiction of the Commissioner of Internal Revenue. Wage or salary increases may be made up to the rate of \$2,400 per annum without approval of WFA, unless WFA has established a specific wage ceiling at a greater or lesser rate for a particular kind of farm work in a specified area. In the absence of a specific wage ceiling, approval is required to increase wages or salaries which are in excess of the rate of \$2,400 per annum or where the increase would bring the payments above that rate. The phrase "\$2,400 per annum" is defined as \$200 a month or the equivalent weekly, piece work rate or comparable basis. Approval also is required in all cases to decrease the wage or salary of a particular employee below the highest rate existing between January 1, 1942, and September 15, 1942, for the particular work in question.

The revised regulations are substantially the same as originally issued on January 17, 1944, and amended on several occasions since that date. Currently added are a clause on evasions and another on inspection of records; a provision that State WFA Wage Boards, which administer specific wage ceiling orders, may have examiners conduct violation hearings in their stead; and a few additional interpretations of the definition of agricultural labor. The evasion clause makes it a violation of the regulations to evade the salary or wage limitations either by direct or indirect methods.

Regarding inspection of records, the regulations provide that any person, including an independent contractor, employing or paying agricultural labor must make available his employment and wage records for inspection and audit by an authorized agent of WFA, the U. S. Department of Agriculture, or a WFA Wage Board.

Under the revised regulations, farm managers or superintendents do not need to be employed at the site of farming operations to be considered agricultural labor.

CITRUS SET-ASIDE

(Concluded from page 8409)

time during the quota period. The quantity of canned citrus fruit and canned citrus fruit juices to be set aside from each canner's pack of each such product packed during the quota period shall be computed by applying the percentage specified therefor in Column B of said Table I against the respective canner's total pack of the respective product during the base period, including his pack in metal and glass containers. If the type, style, variety, and grade of any such canned citrus fruit or canned citrus fruit juices are specified in said Table I, such commodities shall be in the type, style, variety, and grade so specified; but other types, styles, varieties, and grades shall be substituted to the extent that those specified in said Table I are not packed. In the event a canner is preparing to pack, during the quota period, any canned citrus fruit or canned citrus fruit juice listed in Column A of said Table I, which he did not pack during the base period, such canner shall so inform the Director by letter, stating the anticipated quantities to be packed; and such canner shall set aside, and thereafter hold for delivery to Government agencies, a quantity determined by applying the percentage set forth in Column B of said Table I against the canner's total pack during the quota period of each such canner's citrus fruit or canned citrus fruit juice, respectively. In the event a canner does not pack, during the quota period, a quantity of any product designated in Column A of said Table I which is sufficient to meet the set-aside requirements for the respective product for such quota period, the respective canner shall be deemed to be in compliance with the set-aside provisions of this order with regard to the respective product if he sets aside the entire quantity of such product which is packed by him during the quota period.

(c) *Applicability of order.* Canned citrus fruit and canned citrus fruit juices not mentioned in said Table I are not required to be set aside pursuant to the provisions hereof. The provisions of this order shall apply only to canned citrus fruit and canned citrus fruit juices packed in any of the 48 States of the United States or the District of Columbia.

(d) *When entire pack not set aside for Government agencies.* In the event the provisions hereof do not require a canner to set aside his entire pack of any canned citrus fruit or canned citrus fruit juice specified in Column A of said Table I, the portion of each such product required to be set aside by him for Government agencies shall be set aside as follows: (1) At least two-thirds of the set-aside portion shall be taken from the first preference grade of the canned product, as specified in Column D of Table I, to the extent that such preference grade is packed by the respective canner, but, if the quantity

of the said first preference grade which is packed by such person is not sufficient to meet that requirement, the total quantity of such first preference grade shall be set aside for Government agencies; (2) to the extent that the quantity set aside for Government agencies from the first preference grade in accordance with the provisions of (1) above may fail to complete his set-aside quota, he shall set aside from his production of the second preference grade of the canned product, as specified in Column E of Table I, such quantity to complete his set-aside quota but, if the quantity of said second preference grade packed by such person is not sufficient to complete such set-aside quota, the total quantity of such second preference grade shall be set aside for Government agencies; and (3) to the extent that the quantity set aside for Government agencies from the first and second preference grades in accordance with the provisions of (1) and (2) above may fail to complete his set-aside quota, he shall set aside from his production of his third preference grade, of any, of the canned product, as specified in Column F of Table I, sufficient of such quantity to complete his set-aside quota as may be available.

(e) *Reports.* The reports required by § 1425.1 (c) of War Food Order No. 22, as amended, shall be submitted on Form FDA-685. The reports shall be submitted to the Director within 15 days after the completion of the pack.

(f) *Purchase, inspection, and specifications.* The quantities of canned citrus fruit and canned citrus fruit juices set aside for Government agencies pursuant to the provisions hereof are hereby allocated to the Army of the United States, and the said Army may purchase such set-aside commodities for its own account, or for the account of other Government agencies whenever it has agreed with such agencies to do so. The Army of the United States and the Office of Distribution of the War Food Administration, respectively, are authorized to inspect and grade such canned foods pursuant to § 1425.1 (d) of said War Food Order No. 22, as amended. The Army of the United States is authorized to issue specifications at any time with regard to the processing, packing, containers, container treatment, can marking, labeling, boxing, and strapping of such canned foods pursuant to § 1425.1 (b) (5) of said War Food Order No. 22, as amended.

TABLE I.—CANNED CITRUS FRUIT AND CANNED CITRUS FRUIT JUICES

A Product	B Percentage	C Type, style, variety (sequence does not denote preference)	D Grade preferences			G Can size (sequence denotes preference)
			First	Second	Third	
Grapefruit.....	58	Segments.....	Fancy	Choice	Broken	2.
Grapefruit juice.....	39	Sweetened or unsweetened.	Fancy	Standard	10-3 cyl.-2.
Orange juice.....	30	Sweetened or unsweetened.	Fancy	Standard	10-3 cyl.-2.
Orange juice and grapefruit juice blended.	32	Sweetened or unsweetened (50 percent orange and 50 percent grapefruit).	Fancy	Standard	10-3 cyl.-2.

Canned Snap Bean Offers

The War Food Administration is offering for sale to green bean canners 55,494 cases of canned snap beans consisting of 25,334 cases packed in 24 No. 2 cans to the case and 26,650 cases packed in 6 No. 10 cans to the case. This offer is the first to all processors of canned snap beans from a total of approximately 400,000 cases which are being released from government stocks for civilian use. An initial offer of 78,553 cases was made to original processors followed by a subsequent offer of 55,958 cases. Additional offers to original processors from the 400,000 cases will be made as grade and condition are certified.

These cut, green, stringless beans are from the 1942 and 1943 packs and consist of Grade B, Grade C and a combination of sieve sizes. Offers to purchase by competitive packers must be received by WFA not later than October 21. They are listed for sale as follows:

25,334 cases (24/2's) located at Richmond, Va.; Roanoke, Va.; Houston,

Tex.; Memphis, Tenn.; Waverly, N. Y.; Baltimore, Md.; and Salisbury, Md.

26,650 cases (6/10's) located at Houston, Tex.; Louisville, Ky.; Memphis, Tenn.; Camden, N. J.; Richmond, Va.; Baltimore, Md.; and Harrisburg, Pa.

The WFA also is offering to all processors of snap beans 3,915 cases (6/10's) of Grade C green and wax beans located at Washington, D. C. Offers must be submitted on these lots by October 20.

Prices Increased for Prunes

An increase from \$48.50 to \$55.00 per ton in the grower price to be used in constructing processors' ceiling prices for canned and frozen prunes in Washington and Oregon was announced October 7 by the War Food Administration and the Office of Price Administration. The OPA regulation establishing ceiling prices for processed prunes will permit processors to include, as the cost of raw materials, the actual price paid to growers at customary receiving points, but not to exceed \$55.00 per ton for the raw fruit.

U. S. Treasury Reports War Bond Sales and Redemptions

Contrary to a popular belief that a large percentage of War Bonds purchased have been redeemed, a report issued by the U. S. Treasury reveals that just the opposite is true. Of the \$36,869,000,000 of Series E, F, and G United States Savings Bonds (Defense and War) sold from May 1, 1941, through August 31, 1944, only \$3,619,000,000 or 9.82 per cent of these bonds had been redeemed as of that date, indicating that over 90 per cent of these bonds are still in the hands of those who purchased them.

The report shows that of the \$4,406,000,000 of Series A, B, C, and D bonds (so-called "Baby Bonds"), which were sold from March 1, 1935, through April 30, 1941, only \$772,000,000 or 17.52 per cent had been redeemed through August 31, 1944. Therefore, \$36,864,000,000 or nearly 90 per cent of the \$41,275,000,000 invested in United States Savings Bonds of all series from March 1, 1935, through August 31, 1944, were still invested in bonds through the end of August.

In a comparison of the participation of 32 major industries in the payroll savings plan, the Treasury reports that the food products industry ranks 27th in the list with only 63.5 per cent of its employees participating. With the Sixth War Loan Drive scheduled for November 20, the Treasury has called on all industries and organized groups to try to raise the percentage of employees participating in the regular Treasury War Bond Savings Plan, a cause in which the canning industry will want to do its part.

U. S. Citrus Juice Standards

The U. S. standards for grades of canned concentrated orange juice, canned grapefruit juice, canned orange juice, and canned blended grapefruit and orange juice will be amended, effective November 1, the War Food Administration has announced. The amendment applies to the method for the determination of the "per cent by volume of recoverable oil." Copies of these amendments may be obtained from the WFA's Office of Distribution, Washington 25, D. C.

Table Grape Ceilings Revoked

Price ceilings on fresh table grapes were revoked October 10 by the Office of Price Administration. The action follows the recent removal from price control of Concord grapes sold for home consumption, and, as a result, there is

no price control on any grapes sold in the fresh market for home consumption. OPA said fresh table grapes were removed from price control for the following reasons:

The Economic Stabilization Director has directed the Price Administrator not to establish ceiling prices for juice grapes because it is too late in the season and because to do so would penalize late shippers and growers who have not already disposed of their grapes.

OPA added that, since there are to be no price ceilings for juice grapes, ceilings for table grapes would be discriminatory and inequitable and that the Economic Stabilization Director has directed that the ceilings be removed on the ground that the action is necessary in order to correct a gross inequity.

No Tin for Bottle Caps

Because additional quantities of black metal have been made available to crown manufacturers, the use of salvaged tin cans for the manufacture of bottle caps or crowns will no longer be permitted, the War Production Board has announced. Thus, more used tin cans will be sent to detinning plants and the recovered tin channeled to the most vital uses, WPB explained. The action was taken in Direction 1 to M-325, effective October 7.

Death Claims Wisconsin Canner

Carl McKeith, president of the Gale Packing Company, died at Galesville today at the age of 66 following a long illness. He had been president of the company since its organization in 1934 and had been connected with its predecessor, the Galesville Canning Company, since 1920. He was engaged in the garage and implement business in Galesville, as well as being active in the management of the Gale Packing Company.

Funeral services were held at the Presbyterian Church in Galesville on October 11. Mr. McKeith is survived by his widow and three children.

Bulletin on Bean Diseases

Pertinent information from numerous publications, and the results of extensive investigations over a period of many years regarding diseases of snap, dry and lima beans are assembled in USDA Technical Bulletin No. 808 entitled "A Monographic Study of Bean Diseases and Methods for Their Control," for sale by the Superintendent of Documents, Washington, D. C., for 25 cents. Subjects covered include the geographical distribution and economic importance of bean diseases, symptoms, methods of dissemination, and control.

Sions Resigns from OPA

Walter A. Sions, associate of Carl N. Lovegren, in the Pricing Division of the Processed Fruits and Vegetable Section, Office of Price Administration, has resigned, effective October 25, after a period of about two and a half years' service with that agency. Mr. Sions is returning to his own food brokerage business, The Walter A. Sions Company in Philadelphia, Pa. He had been associated with the food industry in Philadelphia for ten years before coming to OPA.

Canned Milk Statistics

Production of canned evaporated milk during August was estimated at 312,000,000 pounds, according to the U. S. Bureau of Agricultural Economics. While this represents a seasonal decline of 13 per cent compared with the July output, it is the largest production for August in 27 years of record. Production was 13 per cent larger than in August, 1943, and 32 per cent larger than the 5-year (1938-42) August average. Output of canned condensed milk also continues at a high level, the estimated production of 11,650,000 pounds for August being an increase of 15 per cent compared with that month last year and 85 per cent compared with the 5-year August average. Production of canned condensed milk during August was the largest for that month since 1928.

Stocks of evaporated milk held by manufacturers on August 31 totaled 291,406,000 pounds, 23 per cent less than on that date last year and 10 per cent less than the 5-year average for that date. Manufacturers' stocks of canned condensed milk totaled 10,825,000 pounds, about 1 per cent larger than on August 31, 1943, and 24 per cent larger than the 5-year August 31 average, BAE said.

Blueberry Ceilings to be Set

Through the issuance of Directive 12 by Economic Stabilization Director Fred M. Vinson, the Office of Price Administration has been directed to establish price ceilings for processed Maine blueberries which will reflect up to 18 cents per pound to growers. The directive follows a previous announcement in which OPA said that it would establish ceilings on processed Maine blueberries that would permit canners and freezers to reflect prices of 18 cents per pound for the raw berries. Grower prices for blueberries produced in other States are the same as last year. (See page 8362 of INFORMATION LETTER 1000.)

Industry Group Discusses Pricing Method 2 With OPA

The Advisory Committees representing the fruit and vegetable canning industry met with officials of the Office of Price Administration, October 6, to discuss Pricing Method No. 2 which OPA proposes to use for pricing those canned fruits and vegetables that were not priced under Pricing Method No. 1. Products to be priced under Pricing Method No. 2 include apples, apple sauce, prunes, plums, all berries, and most of the major fruits when packed outside of California. The vegetable items include tomato juice, tomato catsup, tomato puree and all other tomato products, carrots, lima beans, fresh shelled beans, mixed vegetables, sauerkraut, mushrooms, pumpkin and squash, vegetable greens (except spinach), pimientos and peppers, blackeye peas and a number of other miscellaneous vegetables.

Pricing Method No. 2 was designed by OPA to conform to the principle of formula pricing as announced by OPA speakers at the Processors' Meeting in Chicago, last February. It differs, however, from Pricing Method No. 1 in many respects, and because of those differences, OPA asked for the advice of the Advisory Committees regarding the development of the details of this pricing method. The Committees suggested a number of changes to be made in the formula, particularly with respect to the raw product costs for 1944 that are to be reflected in the ceiling price, and also with respect to the case yield factor that is to be used in the calculation of the raw product cost.

An important part of the No. 2 Pricing Method is the "hardship clause" which is designed to permit canners who may suffer a hardship under this pricing method to appeal for relief. The Committees objected to some of the provisions of the hardship clause as proposed by OPA and requested that certain changes be made.

These various changes that were suggested by the Committees are being reviewed by the appropriate government agencies and the No. 2 Pricing Method is being revised by OPA. Thus some delay may be occasioned in the issuing of Pricing Method No. 2. It is hoped, however, that by this delay some of the suggestions of the Committees may be incorporated in the pricing formula.

Lovegren Resigns from OPA

Carl N. Lovegren has resigned, effective November 1, as Chief of the Office of Price Administration Food Price Division's Processed Fruit and Veget-

table Section to re-enter the canning business in California. No successor has as yet been appointed.

"Mr. Lovegren has done a splendid job under particularly difficult circumstances," Jean Carroll, Director of OPA's Food Price Division, said. "At the recommendation of the industry, he resigned his post as president of the Canners League of California to serve with OPA."

"When he assumed his present position on September 15, 1943, he was asked to stay for a period of one year to assist in pricing the 1944 pack. Because of the change in pricing technique from a combination of flat and formula pricing in 1943 to a more carefully tailored formula pricing system in 1944, the work load of pricing the 1944 pack has been especially trying. However, Mr. Lovegren generously consented to stay beyond his one-year period to finish the task of pricing this pack. It is expected that before he leaves most remaining items will be priced," Mr. Carroll added.

Mr. Lovegren also was president of the Hunt Bros. Packing Co., of Haywood, Cal., with which he was associated from May 1919, to March 1943. From 1912-19 he was Asst. Sales Manager of Libby, McNeill and Libby, in San Francisco, Cal.

California Sardine Pack

Deliveries of California sardines to processing plants during the week ended October 7 totaled 26,461 tons. Pack of sardines during the week was 129,479 cases. The following table shows the sardine deliveries by districts and the pack by can sizes for the current season as compared with 1943:

	Season to	
	Oct. 7, 1944	Oct. 9, 1943
Tonnage:	Tons	Tons
Northern district.....	52,623	96,818
Central district.....	90,828	79,728
Southern district.....	10,543	26,526
Total.....	153,994	203,072
Pack:	Cases	Cases
1-lb. oval.....	352,480	512,507
1-lb. tall.....	400,466	457,224
1-lb. fillet.....	3,580	11,435
1-lb. round, 90's.....	17,079	42,172
5-oz., 100's.....	6,000
Miscellaneous.....	24,382	24,316
Total.....	608,666	1,054,652

Order M-81 is Amended

The War Production Board, in an amendment to Conservation Order M-81, effective October 12, has eliminated Note (c) to Schedule III of the order, thereby liberalizing the packing of more than 60 classifications of non-food products.

Excess Profits Taxes Under Section 722 are Explained

The INFORMATION LETTER of September 30, on page 8397 referred to the Bureau of Internal Revenue's memorandum dated September 23, in which the Commissioner of Internal Revenue tentatively determined that Section 722 (b) (3) (A) of the Internal Revenue Code could not be availed of by the canning industry for relief from excess profits taxes.

It should have pointed out also that this determination by the Bureau will probably make little or no difference to the canning industry, since the canning industry generally, in its applications for relief under Section 722, has relied principally on Section 722(b) (3) (B), and on the other relief provisions in Section 722, and not to any considerable extent upon Section 722(b) (3) (A).

Section 722(b) (3) (B) upon which most canners have relied in their applications furnishes a basis for relief if there were "sporadic and intermittent periods of profits inadequately represented in the base period" and this basis, rather than reliance on the variant profit cycle referred to in Section 722(b) (3) (A), is the keystone of most canners' relief claims. The legislative history of Section 722, as well as the regulations promulgated thereunder, makes it clear that the canning industry can look to Section 722(b) (3) (B) for relief. In preparing applications and claims the possibilities of the other subsections of Section 722 should not be overlooked.

The statute of limitations on filing applications and claims under Section 722 also must be kept in mind particularly if claims for earlier years have not already been filed. The applicable time period varies in particular situations.

Mississippi Canning Crop Data

The latest report of the Mississippi Agricultural Experiment Station contains reference to new work with a number of canning crops. The data published includes discussions of comparisons of sweet corn hybrids, variety tests with pole and bush beans, yield comparisons of bush lima beans, studies in fertilizer treatments for tomatoes and a comparison of peach varieties.

The Association's Raw Products Bureau will be glad to supply interested members with such additional details regarding the Mississippi work as may be available.